

Home Builders Are Struggling to get Water Shares for Their Projects – What's the Solution?

The real water shortage in Utah is caused by Salt Lake City, Salt Lake County, and the Central Utah Water Conservation District mentality of piping water long distances directly to Salt Lake City where the water is used once and flushed into the Great Salt Lake.

Central Utah Water Conservation District old fee	\$6,500 per acre-foot plus \$300 per year
New fee	\$8,900 per acre-foot plus \$300 per year
Fee to come	10,000 per acre-foot plus \$300 per year
The end target price	20,000 per acre-foot plus \$300 per year
	Spanish Fork City tells Strawberry Water shareholders their water is worth \$1,200 an acre-foot and that's what it pays. Developers have to pay up to \$4,000 if they can find it.

Who will be getting the money for the water overcharges? The CUWCD. Who gets the extra water? The City. Who pays for this rigged game? The homeowner who also pays a CUWCD water tax on his house.

Seriously, SLC, Sandy City, and Salt Lake County should have no board seats on the Central Utah Water Conservancy District, no seats on Utah's water Task Force, and should have a Legislative audit.

Cities and counties that need water should fill these positions. The culture of expensive water piping projects that waste water is too entrenched for minor reform. Major reforms are needed for jobs, education dollars, shareholder rights and protecting private property.

The 100,000 acre-feet in Deer Creek should be used in Kamas Valley, then Heber Valley, then Utah Valley, then Salt Lake Valley. Municipal depletion can be as low as 5%, indoor use in the winter. For example, if Kamas Valley used 100,000 acre-feet at 5% depletion, 95,000 acre-feet would be return flow for use by Heber Valley, then 90,250 would be return flow for use in Utah Valley, then 85,737.5 acre-feet would be return flows for Salt Lake Valley. This is the multiplier effect of better water management. 100,000 acre-feet becomes 370,987.5 acre-feet.

On the Sever River system, 300,000 acre-feet can become almost 900,000 acre-feet by using the water 7 or 8 times. For context, CUP's \$5 billion on got us 251,750 acre-feet of which only 94,750 acre-feet (38%) is culinary drinking water.

Big money is causing a big water shortage in Utah. Big money is driving new water laws and policies which waste water. SLC, Sandy City, and Salt Lake County except for Jordan Valley need to red shirted for a decade while the damage they've done is fixed.

Most of the water home builders have purchased to give to cities were dead water rights. Developers are buying dead water rights to give to cities who are double charging home builders. The result is homes cost more, but the city really has no increase in water security. Developer won't be able to meet the water requirements of cities.

The phone just rang at 6:30 pm Monday night. On the other end was the voice of a tired Home Builder looking for water shares for his project. I could hear in his voice his frustration at not having the water his project needed to move forward to build homes. Small home builders borrow money and delays cost them money which costs are added into the home cost and home loan. Today the overcharge cost a new home owner about \$45 per month. **Down the road as water prices increase to \$20,000 per acre-foot -the CUWCD price target, the over charge may double to \$90 per month or \$1,080 per year.**

The city won't accept water transferred onto city wells, but only certain types of water shares on a special wish list. Transfers can take years due to politics from Utah's Water Cartel. The problem is that all the loose shares have been vacuumed up over the past 20 years. New water shares are not being printed. There are very few shares left. The shares remaining are needed to develop the ground they are on.

The small builders scurry around trying to find shares, but can't. What the real story here? Is there really a water shortage out there? No.

Utah's Water Cartel members have gamed the system using water duties. Here's what they did.

Back in the 1930's, the Court set the irrigation water duty for Salt Lake County at 3 acre-feet per acre. That's right, back before modern farming, a farmer used only 3 acre-feet of water to grow an acre of crop. Those that had water rights pressured the State Engineer to raise the water duty to 4 acre-feet. This gave the senior rights an extra 125,000 acre-feet of water in Salt Lake County. Again in the 1980's, the Water Cartel pressured the State Engineer to raise the water duty to 5 acre-feet per acre. This added 125,000 acre-feet of water to the senior water right holders. When asked why this is not corrected, the response is. "We don't water to disrupt the market." Well, the market is disrupted because its not being fixed. The Water Cartel does not want the rigged water duty game fixed.

How could a farmer in 1930 raise a flood irrigate crop with 3 acre-feet of water per acre, but a farmer in 2014 needs 5 acre-feet of water to flood irrigate a crop? Is it a farming issue or a water grab using water duties?

Going from 3 to 5 acre-feet irrigation duty, put a 92,000 acre-feet demand on Utah Lake. This in turn put a 92,000 acre-feet demand on Deer Creek and Jordanelle which have to release to keep the levels of the Utah Lake up because it is a senior water right to Deer Creek and Jordanelle.

For perspective, 92,000 acre-feet is all of the M&I water the CUWCD project will develop at build out. That's right. By tweaking water duties, all the CUP project municipal and industrial water gain was wiped out into the hands of Utah's Water Cartel.

By increasing the water duty, the senior water rights get more water and lock out junior rights. Its a form of monopoly and taking property without paying for it. What business would not like an extra \$500 million in asset bump by pressuring a \$80,000 water employee?

What is going on behind the scenes? In 20 years, I'm aware of three forfeiture court cases filed by water right owners against water right owners. One by SLC's Provo River Water Users which forced a water transfer applicant into reducing his water right, and two by Central Utah Water Conservation District over 120 acre-feet (Jensen) and 3,500 acre-feet (South Utah Valley Municipal Water Association).

Why is CUWCD all of the sudden flexing its muscle by suing senior private water right owners?
 Cancel a senior water right, your junior water right just got better.

Because CUWCD wants to cut out competition to sell water at higher prices. You can move water in two ways – in pipes (infrastructure) or by paper water transfers to wells and existing ditches. CUWCD has been attacking paper water transfers by seeking to re-write 73-3-3 (transfer rights) and 73-3-3.5 (shareholder transfer rights), because the Water Cartel folks own the pipes like Murdock Pipe the public paid \$125 million for. If you're the only one with a \$125 million pipe, you are the only one who can put water into it and sell it. CUWCD can buy dead water rights and put them in a pipe, but if you do, you can't get it in the pipe and CUWCD will sue you to finish off your dead water right. That's the message being sent on purpose.

Solutions -

Consolidate all Water Management into one Department	Have Legislative Audit on Utah's Water Cartel
Raise the pay of the State Engineer to \$350,000	Hire water engineer to re-engineer the utility of water so its used multiple times before being flushed into the Great Salt Lake
Stop micromanaging gallons of water by adopting Nevada's water policies – all land has a right to a small amount of water without a permit	Revamp the Water Task Force to limit the CUWCD, SLC, Sandy, Weber Basin, and Washington Water District to 20% of the seats.
Put the water duties back to 3 acre-feet where the court and State Engineer set them for Salt Lake County. Science did not change, big money changed the duties – Utah suffers.	Ask Jordan Valley how to fix the problem. They could double Utah's water use with very little added costs.
Have a 0.19 Domestic Water Duty today	Cancel by legislation all pending applications to appropriate water in closed basin.
Have a 1.7 acre-feet Urban Irrigation Duty today	Do away with rain barrel regulations altogether – have rain barrels without permits
Change the depletion figure from 2.12 to 1.32 - Why is it set to high figure for alfalfa production instead of average depletion?	Revamp the water transfer process from 19 steps to 3 steps – Take water back from cities hoarding water.
Bring in water experts from Nevada and Arizona for advice.	<p>Have the AG's Office recommend policies to limit water monopoly in Utah.</p> <p>Have the AG's Office represent the Central Utah Water Conservation District.</p> <p>We won't let a private law firm represent the Division of Water Rights with a \$9 million budget. Then how can we let a law firm represent a \$5 Billion water utility in 8 counties with 2013</p>

	revenue of \$450 million? The Clyde lawyers are great, but its not good public policy.
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*Honey, I'm sick and tired
of getting ripped off.*

I need you here.

*Calm down. I'll work 4 more hours a month for 30 years,
to come up with the \$45 for the \$8,000 the city over charged
our Home Builder. It's not the Builder's fault. The City jacked
us using phony State water duties.*

*State Water dudes said they don't care. It's only \$16,000
over the life of the loan or \$25,000 in gross income.*

